

MAHATHIR-BANK

FROM MUSA SCULLY

NEW YORK, OCT. 5 (BERNAMA)—DEPUTY PRIME MINISTER DATUK SERI DR. MAHATHIR MOHAMAD SAID THERE WAS EVIDENCE OF AN UPSWING IN BUSINESS AND INVESTMENT ACTIVITIES IN MALAYSIA WITH A 4.3 PER CENT GROWTH IN BANK CREDIT IN THE FIRST QUARTER OF THIS YEAR.

HE SAID MANUFACTURING, HOUSING AND REAL ESTATE HAD BEEN A MAJOR PART OF THIS UPSWING AND DEMAND FOR CREDITS IN THESE AREAS WAS IMPRESSIVE.

DATUK SERI DR. MAHATHIR WAS OPENING THE NEW YORK BRANCH OF BANK BUMIPUTRA HERE TODAY.

HE SAID EXPORT FIGURES FOR THE FIRST FOUR MONTHS OF THIS YEAR SHOWED AN IMPROVEMENT OVER THE FIGURES FOR THE SAME PERIOD LAST YEAR.

IMPORTS OF INVESTMENT GOODS WERE 7.8 PER CENT HIGHER THAN IN THE CORRESPONDING PERIOD LAST YEAR WHILE IMPORTS OF INTERMEDIATE GOODS, EXCLUDING PETROLEUM WERE UP BY 13.5 PER CENT.

—BERNAMA MORE 1126/AH

END

NOOT (F)

MAHATHIR-BANK 2 NEW YORK

THE DEPUTY PRIME MINISTER SAID THESE FIGURES SUGGESTED A CONTINUED IMPROVEMENT IN THE LEVELS OF INVESTMENT AND INDUSTRIAL PRODUCTION.

DATUK SERI DR. MAHATHIR, WHO IS LEADING AN INVESTMENT MISSION HERE, SAID THERE WAS A NEED FOR COMPLEMENTARY EXISTENCE BETWEEN MALAYSIA AND THE UNITED STATES.

WITH THE OBVIOUS NEED TO IMPORT MANUFACTURED GOODS AND WITH THE PRESENCE OF MANY AMERICAN MULTI-NATIONALS PRODUCING BASIC COMPONENTS FOR SOPHISTICATED MODERN PRODUCTS, THIS COMPLEMENTARITY WAS EVEN MORE NECESSARY, HE ADDED.

HE SAID BANK BUMIPUTRA, THE LARGEST COMMERCIAL BANK INCORPORATED IN MALAYSIA IN TERMS OF ASSETS AND DEPOSIT LIABILITIES, WOULD OPEN EIGHT MORE BRANCHES SOON. AT PRESENT IT HAD 56 BRANCHES.

THE DEPUTY PRIME MINISTER SAID THE BLUE-PRINT FOR BANK BUMIPUTRA'S FUTURE DEVELOPMENT WOULD CONSCIOUSLY BALANCE THE DOMESTIC AND INTERNATIONAL PORTFOLIOS.

THE PRESENCE OF THE BANK'S BRANCH IN NEW YORK WOULD HELP BRING ABOUT AN EXPANSION OF BUSINESS ACTIVITIES WHICH WOULD BE MUTUALLY BENEFICIAL TO BOTH COUNTRIES.

BANK BUMIPUTRA'S DEPOSITS SINCE INCORPORATION HAD GROWN FROM 37 MILLION TO 2.8 BILLION RINGGIT WHILE LOANS AND ADVANCES INCREASED FROM 9 MILLION TO 1.2 BILLION RINGGIT. —BERNAMA MORE

MAHATHIR-BANK 3 NEW YORK

216

BANK BUMIPUTRA CHAIRMAN SENATOR KAMARUL ARIFFIN SAID THAT THE NEW YORK OFFICE WOULD BE LARGELY INVOLVED IN WHOLE-SALE BANKING ACTIVITIES THAT WOULD INCLUDE FOREIGN EXCHANGE AND MONEY MARKET TRANSACTIONS, SYNDICATED LOANS, CORPORATE FINANCE, IMPORT-EXPORT AND THIRD COUNTRY FINANCE THROUGH LETTERS OF CREDIT, COLLECTIONS, ACCEPTANCES AND REMITTANCES.

IT WOULD BUILD UP ITS LOAN PORTFOLIO OF AMERICAN AND THIRD COUNTRY RISKS BESIDES ACTIVELY IDENTIFYING SUITABLE INVESTMENT PROJECTS IN MALAYSIA FOR AMERICAN INVESTORS.

HE SAID IT WAS ALSO HOPED THAT THE BRANCH WOULD FOSTER SOME COMMERCIAL ACTIVITY WITH AMERICAN CUSTOMERS IT SERVICED IN MALAYSIA AND WITH MALAYSIAN CUSTOMERS WHO HAD MOVED INTO THE AMERICAN MARKET.

+OUR SETTING UP A BRANCH IN NEW YORK IS PARTICULARLY TIMELY IN VIEW OF THE PROPOSED ESTABLISHMENT OF A FREE BANKING ZONE HERE AND THE ELIMINATION OF RESERVE REQUIREMENTS ON FOREIGN BORROWING BY U.S. BANKS,+ HE SAID.

SENATOR KAMARUL POINTED OUT THAT LIKE MOST OF THE FOREIGN BANKS OPERATING THERE, BANK BUMIPUTRA WAS DRAWN TO NEW YORK BY THE DEPTH AND DIVERSITY OF ITS MONEY MARKETS.

+OUR PRESENCE HERE WOULD INVARIABLY MEAN THAT WE HAVE DIRECT ACCESS TO ONE OF THE WORLD'S MOST IMPORTANT FINANCIAL MARKETS,+ HE SAID. —BERNAMA 1138/AH